

HD410 – HOME OWNERSHIP FINANCE

AGENDA

PRESESSION ASSIGNMENT:

Read the first part of the case study, "Getahead, Illinois" (pp. 1-3 in the casebook), and complete Assignment One on page 3.

DAY 1

8:30 a.m.	COFFEE AVAILABLE
9:00	WELCOME AND INTRODUCTIONS
9:30	GOALS OF HOUSING DEVELOPMENT <ul style="list-style-type: none">• The Housing Problem• Reasons to Develop Single Family Housing• Types of Solutions• The Two Primary Financing Issues
11:00	LOAN PAYMENTS <ul style="list-style-type: none">• Construction Loans• Amortized Loans• Loan and Loan Constants• Calculating: Debt Service Interest Payment Principal Payment CASE STUDY
12:00 noon	LUNCH
1:30	ACTORS IN SINGLE FAMILY HOUSING DEVELOPMENT <ul style="list-style-type: none">• The Development Process
2:00	STAGES IN THE DEVELOPMENT PROCESS <ul style="list-style-type: none">• Site Identification



CASE STUDY

- Market Analysis
- Project Design and Budgeting
- Project Financing
- Construction
- Marketing and Sales

4:00

FINANCIAL ANALYSIS

- Pro Forma Profit and Loss Statement

5:00

(@ two hours)

**IN-CLASS TEAM ASSIGNMENT
CASE STUDY**

DAY 2

8:30 a.m.

CASE STUDY REVIEW

9:30

FINANCING DEVELOPMENT COSTS

- Development Risks
- Lender Underwriting
- Developer Concerns
- Developer Subsidy

11:00

MANAGING DEVELOPMENT COSTS AND ACTIVITIES

- Impact of Time on Profits
- Project Cash Flow
- Identifying the Financing Needed

12:00 noon

LUNCH

1:30

CASE STUDY

3:30

ADJOURN

DAY 3

8:30 a.m.	THE BUYER <ul style="list-style-type: none">• Lender Underwriting• Three Principal Ratios CASE STUDY <ul style="list-style-type: none">• Credit Worthiness• Credit Reports
10:30	MORTGAGE PROGRAMS <ul style="list-style-type: none">• Conventional• VA/FHA CASE STUDY
12:00 noon	LUNCH
1:30	MORTGAGE PROGRAMS <ul style="list-style-type: none">• Rural Development• MRB• MCC
3:00	HOME BUYER ASSISTANCE <ul style="list-style-type: none">• Two Problems Addressed<ul style="list-style-type: none">▸ Insufficient Income▸ No Savings• Lease Purchase Housing CASE STUDY <ul style="list-style-type: none">• Deferred Second Mortgages• Down Payment Assistance• HOME• CDBG
5:00 (@ two hours)	IN-CLASS TEAM ASSIGNMENT CASE STUDY



DAY 4

8:30 a.m.	CASE STUDY REVIEW
9:30	EXAMINATION
1:00 p.m.	TURN IN EXAMS

